

# MKM 206: Distribution Management

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective**

This course aims to students' knowledge and skills in analyzing distribution issues, designing appropriate distribution channels, policies as well as strategies and managing physical distribution and market logistics with special reference to distribution management of Nepal.

## **Course Description**

This course contains introduction to distribution management, fundamentals of marketing channel, classification of marketing channels, managing marketing channels, channel planning and design, supply chain management, physical distribution and logistics management, distribution management in Nepal.

## **Course Details**

### **Unit 1: Introduction**

**LH 4**

Concept and objective of distribution management; Distribution coverage; Aspects of distribution management: Channel management and physical distribution management.

### **Unit 2: Fundamentals of Marketing Channel**

**LH 6**

Meaning and role of marketing channels; Channel structure for consumer and industrial goods; Selection of marketing channels; Marketing channel system: vertical, horizontal and multi-channel systems; Power of channels members. Sources of channel power; recent trends in marketing channels: *symbiotic marketing, third party delivery, multi-channel marketing systems, multi-level marketing, channel reduction and elimination, e-marketing, direct marketing, etc.*

### **Unit 3: Classification of Marketing Channels**

**LH 4**

Wholesaling: role, contributions and classifications; Retailing: role, contributions and classifications; Agent Middlemen: role, contributions and classifications.

### **Unit 4: Managing Marketing Channels**

**LH 6**

Channel conflicts and coordination; Channel conflicts management; Channel information systems: Meaning, objective and elements of channel information system; Designing a channel information system.

### **Unit 5: Channel Planning and Design**

**LH 7**

Meaning of channel planning and design; Process of channel planning - *complete understanding of existing channel conditions and challenges, conduct competitor channel analysis, assess opportunities in existing channels, develop a near-term plan of attack, conduct gap analysis, identify and develop strategic options, conduct qualitative and quantitative end-user analysis, develop an ideal channel system*; Types of channel design – vertical, horizontal and hybrid channel; Factors in channel designing - *efficiency, effectiveness, capacity, agility, consistency, reliability, integrity*; Setting channel policies and strategies – *market coverage, customer coverage, pricing, product lines, selection of channel members, termination channel partners, ownership of the channel, legal constraints.*

## Unit 6: Supply Chain Management

LH 7

Meaning and flows in supply chain system; Role of purchasing in supply chain system; Value-chain analysis in supply system; Essentials in supply chain management which may bring competitive advantage- *efficient consumer response, category management, continuous replenishment, quick response logistics, handling functional and innovative products, benchmarking.*

## Unit 7: Physical Distribution and Logistics Management

LH 8

Meaning of physical distribution and logistics management; Role of physical distribution management in marketing; Value of customer service in logistics management; Physical distribution and logistics functional decisions – *Transportation Decision* – concept, functions and role, selection of modes of transportation, transportation strategies, recent trends in transportation; *Warehousing and Storage Decision* – concept, functions and role, types of warehouses, warehousing strategies, selection of warehouse; *Inventory Control* – concept, function and role, factors influencing inventory level, technique of inventory control; *Order Processing* – concept, functions and role, steps in order processing; *Materials Handling* – concept, function and role, tools and methods of material handling, *Logistics Information Management* – exchange of information between the *seller, carrier and the buyer* from the date of shipment till the goods are received by the buyer; Difference between logistics management and supply chain management.

## Unit 8: Distribution Management in Nepal

LH 6

Mode of transportation in Nepal - containers, railways, trucks and lorries, ropeways (including cable cars), airlines, pipelines, etc; Role of government sector in distribution management, including Nepal Food Corporation, Agricultural Inputs Corporation, Salt Trading Corporation and Nepal Oil Corporation; Role of wholesalers and retailers in Nepal's distribution management; Problems and challenges in distribution system of Nepal – *Difficult topography, landlocked character of the country, Scarce domestic productions, import-based economy, lack of proper rules and regulations, geographical concentration of industries and businesses, lack of visionary decisions (short-sidedness decision) with planners and decision makers, etc.*

### Suggested Books:

Broxese, Donald, J. Bernard, J. Lalonde and Edward W. Symkay, *Readings in Physical Distribution Management, Logistics of Marketing*, Mac Millan Co., New York.

Christopher, Marting, *Logistics and Supply Chain Management*, Financial Times Professional Limited.

Dongals M. Lambert, James R. Stock, Lisa M. Ellram, *Fundamentals of Logistic Management*, M. C. Gram Hill.

Khanna, K. K., *Physical Distribution management: Logistical Approach*, Himalayan Publishing house.

Kumar, Dinesh, *Marketing Channels*, Oxford University Press, New Delhi, 2012.

Stern, El-Ansari and Coughlan, *Marketing Channels*, Prentice-Hall of India, New Delhi.